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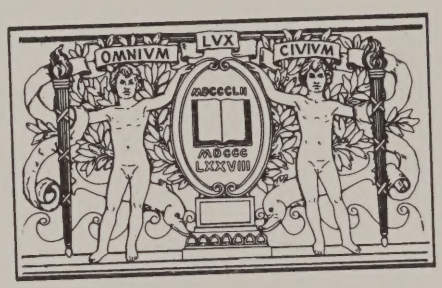

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REPORT TO
BOSTON REDEVELOPMENT AUTHORITY
ON
INDUSTRIAL REUSE POTENTIAL
OF
UNITED STATES NAVAL SHIPYARD
AT
CHARLESTOWN, MASSACHUSETTS

SUBMITTED
JUNE 1976

ACKSTONE—SHAWMUT & COMPANY, BOSTON, MASSACHUSETTS

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Plate only

RESPONSE

UNIFORM RESPONSE

Uniformly, the response of poled firms to the Yard was one of enthusiasm and hope that it can be reused. Its location, nearness to superior transportation routes and Boston's fine service capabilities, and varied-use potential make the Yard an asset of obvious value to all firms interviewed. Its potential is seen not only in actual industrial production, but also in general commerce, retailing of industrial products, lumber import and processing, and headquarters for sales firms.

Unfortunately, the view expressed of Boston as a center of the woodwork, lumber and interior trades is that it is not. However, it well could become such a center. The New England region could support a growing interior trades complex. The ready supply of "old masters" in woodworking and the various interior trades makes the idea of locating in Boston very attractive, provided that good space is available at a reasonable annual cost.

Despite the fact that the configuration and nature of the Yard's buildings seems to represent a static industrial aspect, in that a crowded area can inhibit expansion, there is great potential for expansion of tenant firms. The simple mechanism of sub-leasing space until its retention is necessary can be used most effectively in many buildings. Also, the notion of the developer/entrepreneur, described in another section of this report, can be applied to this problem. The fact of existing buildings and small areas of open land is not nearly so static an element as might be though. Careful planning and proper tenant selection will probably avoid any contention over expansion conflicts.

The City can devise and state a final posture on the issue of expansion in cooperation with prospective tenants now. In this way, no ugly surprises will jeopardize the stability of industrial reuse of the Yard, and no labor dislocation will occur years after all concerned have mustered to develop local labor support. As in

most matters concerning the Yard, industry will abide by circumstances they are aware of, but will respond harshly to sudden changes in plan.

"IF THE CITY ---"

The barrage of questions from firms poled has been endless. "Who will own the property; what utility provisions are available; how about environmental impact and zoning; how much will rennovation cost; what are the city's real long range plans; will Massport be involved; will the old equipment still be available; will the City help with union problems; is rail service to be retained; can better access be achieved; who provides security and site improvements; will Edison pay for metering electrical service to individual buildings; can the City help with O.S.H.A.; will the Gas Company install new service; what are the limits imposed by Historic Landmark status; and what does the City want for the property?" These are the questions that are being asked.

Although various B.R.A. staff say that there were extensive marketing efforts for the Yard by E.D.I.C., the private sector seems remarkably ignorant of them. No firm poled knows anything about such efforts, directly or indirectly. The fact that the City has never aggressively persued long term tenancies by diverse and distant firms is certainly the single greatest reason that the Yard languishes today, in decay.

If there is one single conclusion to be drawn by this report, it is that the City must develop a complete reuse and marketing plan intending various and diverse tenancies and uses; then make this plan and its requirements known to every possible potential user, financial institution and developer nationwide. It is very rare indeed to find a person who does not "wonder what they (the City) are going to do with that place." The private sector can only respond to the site and propose reuse arrangements if they are aware what the City must recover as costs, and can promise as services and terms of occupancy.

However, in order to mount such an effort, the City must first derive a feasible overall plan for reuse of the site, remaining very flexible, but committing to site acquisition and follow -- through development participation.

SUPPORT SERVICES

ACCESS

Easy and variable access are amont the Yard's major inplace assets as an industrial site. However, of the three access systems; sea, rail and road; only the sea route can be utilized fully without major improvements. The fact of advanced decay in several of the wharf and pier structures is offset by two factors: the sea is always available for use in the sheltered inner harbor deep channels; and there are huge pier structures still sound along the Yard's entire shore. It is the strong recommendation of this report and the consensus of those firms poled that removal of remaining piers, except as they are beyond repair, or alteration so as to render them unfit for ocean going vessels would be a serious mistake. Such a mistake may come to light only in the future when there is need of deep channel berths for freight or marine construction, but come to light it will. The Port is, after all, the very first reason that Boston grew from a frontier settlement to a great city.

Road access for passenger and freight vehicles must be improved. Gate 5 will suffice with some improvement; but there is need of another access point of at least 50% greater capacity to the south of Gate 5. An easement through the National Park would almost certainly prove a troublesome arrangement, despite the direct-route-access which could be effected. Further, there must be a reopened direct-route-access using Chelsea Street into City Square. Any practical solution to the freight access issue must; provide adequate maneuvering area for 45 semi trailer and long-bodied straight trucks, while allowing them entry into the Yard without the unpleasant necessity of threading through the residential streets of Charlestown (neither the drivers nor the community will approve such a route). Industry is all too aware that the Yard is at the center of a very efficient regional road system, whose benefit it cannot now properly realize. Finally, all the Yard's interior roadways must be improved to handle normal industrial freight traffic. Pavement and drainage are the two critical problems at present.

ACCESS

The Yard's internal rail system is an asset not to be lost. Despite the sorry state of the region's rail system, pressures seem to be building to improve it. Dealers in lumber and contract furnishings still receive most of their inventory by rail. The lack of readily available rail freight may well be a critical factor in the decision by major lumber and contract furniture dealers not to locate in any given area. Further, there is an obvious advantage to importers in transferring container cargoes directly to rail cars for shipment to other parts of the U.S., particularly if there is a joint rail and seaport facility close by their headquarters.

Summary of responses to the access features and considerations of the Yard indicates that improved road access is the leading issue. However, wise planning seem to dictate the serious consideration of the port and rail features as well. The concentrated and varied means of transport and access offered by the Yard, its greatest single-shore docking capacity, coupled with rail and road services, make this site more attractive an industrial prospect than any other the City has.

RETENTION OF EQUIPMENT

All buildings in the Yard used during naval occupancy for heavy manufacturing have interior (exterior in some cases) bridge cranes. These weight handling elements add a unique factor to those buildings where they are found. Any type of load can be moved freely the length and breadth of any floor span, In all cases these cranes are serviceable and will carry specified capacities. In certain instances, such as building 114 (where the key crane has already been removed), 105, 106, 104, and 199, these cranes can be used to transfer, between floors, loads which far exceed the capacities of existing elevators.

It is urged that the City seek transfer of all remaining weight handling equipment to the New England Regional Commission, prior to the G.S.A. auctions this summer. In this way, security arrangements can be made more palatable to all concerned, the equipment will remain to enhance building values, and B.R.A. can keep open its option to solicit industrial reuse of the Yard. There will remain an auction potential for the equipment in the event it is not reused.

The Chain Forge provides another fine example of a building whose equipment should be retained under a similar plan. This forge is the only die-lot chain forge remaining in this country. It is of great historical significance and can be reused for the forgoing of chain as well as custom hardware for the furniture trades. To obtain a satisfactory operating tenant will take time and persistance but will be of great benefit. Old skills will be retained in the City, jobs and taxes will derive from the effort, and a market for local scrap metals will arise where none exists now. It, like the foundry, could be operated in such a way as to provide a much needed service to the local metallic arts community for forging and for the casting of bronze. Such a project would appropriately be the thrust of one entire study and reporting contract. With the rise in small local cabinet shops there is great need of a forge for custom hardware and fasteners

duplicating the old ways and appearances.

Buildings 40-42 and 114 retain certain woodworking machines and quantity of patternmaker's benches. These are of great and obvious value to any potential woodworking tenant. They too should be retained under the mechanism described above. The sawmill in building 114 is of particular interest, as it is both rare and well suited to the milling of custom lumber and timbers. All ancillary weight handling elements should be retained as well.

An immediate stop on the disposal of all lighting fixtures and vehicles, such as those used for exterior freight handling, would also serve to enhance the value of the Yard for reuse. The lower the costs for setting up occupancy, the easier it will be to obtain such occupancy.

SUPPORT SERVICES: COST ANALYSIS

Many of the firms poled stated that they feel the City is not so hostile an industrial environment as common lore portrays. They see rapidly increasing costs and decaying services in outlying cities and towns, and they realize the advantages of central location and a proximity to labor at all skill levels.

However, in order to feel comfortable making a decision to locate in the Yard, they need help from the City. This help should take the form of cost analysis defining the precise benefits and costs of doing business within Boston's boundaries. Some point to the fact that even a firm of the size and ability of Stone & Webster had to be shown by B.R.A. analysts that their remaining in the City was a fiscally sound decision.

Comparative labor surveys, taxes/assessed valuation/services ratios and general market information should be provided to aid firms in defining what precise benefits will derive from their residence within the City. The City can, after all, take advantage of its industrial job losses and general high unemployment to show that it can provide adequate labor at all skill levels in a wide variety of industries. It can show that its labor is cost-effective and that central location custs transportation costs on incoming and outgoing freight.

If the City is to capitalize on the Yard's available resources by attracting industry in, it must be aggressive and entrepreneurial. This means it must present as much sound information on all matters, especially relative costs, as possible. It must show that the Yard offers buildings of superior utility at far less than new construction costs, in the center of the regional market place. If such cost information is not provided on a factual basis, industry will gather its own on a mythical basis. More and better information should be readily available, and should be diseminated through the media and industry channels.

SUPPORT SERVICES: SUBSIDIES AND AID PROGRAMS

The industrial sectors poled for this report lend themselves well to a large number and variety of aid programs. Unfortunately, few firms are aware of precisely what programs exist and how they can gain access to them. Since most local firms in the furniture, millwork and lumber trades are within the definition of small business, the City should publicize and define the various S.B.A. programs, such as 702, which are available.

Publication of full information on how to receive a 50% grant for facade - easement restoration of historic building exteriors (most buildings in the Yard can qualify); C.E.T.A., D.E.R.P., E.D.A., and other manpower training programs as well as state tax subsidies for new jobs should be listed and explained in clear form. The two leading problems for businesses considering the Yard as a location are the cost of making a building useable and labor costs. In all the above named areas and programs help is available. With its history of successful grantsmanship, the City can certainly help itself by helping its prospective industrial residents.

In most of the more highly skilled trades, and certainly in the woodworking field, the average craftsman's age is creeping higher. Therefore, retraining is an absolute civic necessity. To the degree that the City can help mitigate the cost of training and retraining, it will insure its own industrial future. The simple fact is that that industry goes where the crafts are, if those crafts are affordable.

As an urban area heavily impacted by unemployment and industrial desertion, Boston stands to benefit handsomely from a vast array of subsidies and aid programs; so do its industrial residents. However, who will benefit if correct and forceful information is not made commonly known? As a surplus federal property, the Yard only compounds the available aid forms, but this must be made clear: it is not clear now.

COST OF OCCUPANCY: SHELL SPACE

Unanimous response from firms poled is that the City must make clear all conditions and costs before industrial tenancies can be achieved. The basic cost of the shell space is one of the two primary cost considerations. Realizing their liability for all leasehold improvements, and feeling that the Yard's buildings tend to be less than cost - efficient in the matter of heat, most firms feel that the shell space lease price should be below $.50 per square foot.

While any final leasing price would be subject to negotiation, it is suggested that the City charge for bare space according to a set formula covering its fixed initial expenses and its probable ongoing costs and expenses, and allowing a fixed time to gain return of site acquisition costs. The following formula would be fair to all concerned, if affordable to the City:

$$\frac{\text{purchase price + (interest + 1\% charge)}}{\text{five-years}} + \frac{\text{(fixed costs + fees)}}{\text{1 year}}$$

This addition will derive the annual lease for the shell space (L). To this will be added taxes (T). The final costs paid to the City:

$$L + T = \text{Annual Charges by City}$$

To the degree that the City assumes an active role in the upkeep of occupied buildings and exterior areas, there should be a management fee levied per square foot of building area. Since response seems to indicate that the City must require payments totalling less than $1.00 per foot per year, the non-tax cost should range no higher than $.35 - $.40. In the target area for this report alone, there is building area of 1.7 million square feet. $.40 per foot per year will generate revenues of $320,000 annually, or $3,400,000 over five years at only 50% occupancy. If occupancy averages 75%, five year revenues will total $5,100,000. By keeping lease cost low, the City can help mitigate the cost of code compliance and rehabilitation, thereby assuring greater response from potential tenants.

COST OF OCCUPANCY: SHELL SPACE

Costs themselves do not discourage potential tenants (to a point), but the uncertainty of future costs will. All City charges should be clearly stated and guaranteed for at least the initial leasing period. On this all firms poled are unanimous. Also, the City should make very clear what its responsibilities will be in return for its management fee. Specific information on utilities and site conditions are key elements in such disclosure. Further, the City, it is felt, should offer its resources to tenant firms in matters of environmental restrictions and transportation and access problems. A partnership between the City and its tenants in the Yard is the only way to make industrial reuse of the Yard a practical reality.

COST OF OCCUPANCY: TAXES

At the outset of this project, it became clear that what most disturbs industry about Boston taxes is not their extent, because formerly tax-thrifty cities and towns are now raising taxes at an alarming annual rate; nor is it the services received in return for taxes, because formerly crime-free and uncrowded communities are now faced with the nation's growing facts of life; crime is everywhere (and increasing) and pressures of suburban population growth, inflation in all cost categories, and unionization of municipal employees dictate that more services and more expensive services will be reflected in higher assessed valuations and tax rates. The most disturbing element in Boston's tax structure is the uncertainty of what the next tax bill will be.

Therefore, whatever taxes are levied on buildings and property in the Yard, their levels must be guaranteed for at least the initial leasing period (and probably beyond if purchase of leased buildings is to be sought). The range of tax levies and assessments in the City on industrial property is so great as to defy recording in this report. However, it appears, from the taxes against the former Barnett Brothers plant on Route #1 in West Roxbury, which is the finest new woodworking facility in the City, that $.65 is the probable maximum for modern industrial space, with good location, less than 15 years of age.

Necessary leasehold costs, relocation costs, and generally higher costs for urban union labor indicate that a lower figure is appropriate to the Yard. It is the conclusion of this survey that $.50 is the maximum bearable tax cost for the Yard, in industrial uses; and $.75 is the maximum for general commercial uses (stated per square foot of building area). Even at these or lower figures, the Target Area for this report will generate more than half the City's own projections of $2,000,000 annually for the entire Yard, with allowance for less than full

COST OF OCCUPANCY: TAXES

occupancy. Further, no taxes should be levied until buildings are fully prepared for occupancy.

In view of the availability of federal funds for site improvements, the City's need to recover costs by taxation is greatly reduced, if not eliminated. It is possible for the City to do the impossible: offer superior industrial buildings and location, at less than conventional cost, and reap appreciable income by doing so. In addition, the spin-off tax revenues from employment, sales and excise taxes will be vast.

COST ESTIMATES: REHABILITATION

According to Mr. James Boulger of the BRA staff, current and average rehabilitation costs for shell space in Boston are as follows:

STATED PER SQUARE FOOT

TRADES	WAREHOUSE	RETAIL	INDUSTRIAL	OFFICE
PLUMBING	$0.79	$1.10	$1.10	$1.80
H.V.A.C.	1.40	2.25	2.40	4.40
ELECTRICAL	1.35	2.35	2.00	3.65
TOTALS	$3.54	$5.70	$5.50	$9.85

Mr. Boulger also reports that his estimates for exterior restoration of buildings in the Yard are, so far, averaging approximately $5.00 per square foot of interior space. Therefore, industrial reuse rehabilitation totals to a cost of $10.50 per square foot unaided. If 50% grant moneys are applied to the facades of rehabilitated buildings the cost drops to $8.00. This cost makes no further discount allowance for the fact that heat distribution systems, wiring and lighting, and plumbing are already in place (though perhaps requiring attention).

It is not unrealistic to consider total rehabilitation costs for industrial reuse to be in the range of $6.00 - $7.50 per square foot, to be in full code compliance. Steel frame and shell structures built new currently cost a minimum of $8.00 per square foot, and provide far less value and durability.

There can be no doubt that the Yard's buildings offer superior value and very low cost. This combines with location to form an industrial resource not seen in the City in decades.

TENURE

Of the concerns expressed by firms poled, certainly tenure (length of tenancy) was one of the foremost. What has developed is a consensus that at least a minimum of seven years be assured. This would take the form of a lease for two years or more with an option to renew for a total of seven years.

There is a strong feeling, on the part of the larger firms, that relocation into the Yard would be considered only as a permanent or long term arrangement. Terms of optioning to purchase should be developed in advance of any leasing, and said leasing should be considered, mutually, as long term. Leases of five years with options to renew every five years appears to be favored. This is certainly conducive to stability in terms both of direct and spin-off economic impact and of revenues to the City.

A major concern related to tenure is that of recouping the costs of leasehold improvements. It will be imperative for the City to negotiate and execute a binding agreement stating that all such improvement costs will be ammortized over a specified time, and that in the event of City actions to regain possession of any buildings or portion of the site for alternate uses, it will pay to the tenant an accurate pro-rata share of all leasehold improvement costs should it recover title before the expiration of full ammortization. As such agreements are fairly common in the private sector, the City should be able to reach an equitable agreement with all concerned parties.

Tenure also brings up the issue of neighboring site uses. The City will have to assure tenants that neighboring site uses during the contracted tenure of all firms will neither interfere with nor be harmed by the original tenant firms' activities. Such matters as developing traffic flow, environmental conflicts,

TENURE

hazards, access, and guaranteed utilities' service are to be considered in this area. An overall advance plan for site and building security is probably the most obvious concern; neighboring site uses must be compatible with overall security. The Yard's natural security is an asset to be preserved.

In the case of the very large buildings, such as 199, and for the benefit of those firms too small to occupy an entire building or likely to require substnatial expansion capability while remaining within the Yard, it will be wise for the City to solicit and designate what could loosely be called developers. These will be either firms occupying substantial portions of a larger building or entrepreneurs.

This special class of developer will be discussed in a later section. However, the same problems of tenure will have to be faced and solved with them as with other tenants, only more so. Since their initial costs and risk will be greater, and since they will have to manage their own sub-lease agreements, their concerns over duration of tenancy and recovery of improvement costs will be greater. Of course, it is also true that their return potentially outstrips the economic advantage acruing to the standard tenancy of other firms. The fact remains that the City's position must make their involvement attractive and profitable. It is these 'developers' who can remove a substantial portion of the management burden from the City and its various agencies.

LONG RANGE INDUSTRIAL PLANNING

Of great importance to any effort for industrial reuse of the Yard is overall, long range planning by the City. Merely providing short term solutions to issues of cost, taxation, access, etc. will not be enough. What Boston needs is a planning effort to make the City a properous industrial and commercial environment for generations to come.

Firms in this project have not been approached on the basis that the Yard would be a fine interim location. Rather, the emphasis has been on determining under what conditions firms could commence life-long residence in the City; ideally in the Yard. The major requisite is that the City be as willing to participate in effective and long term planning as the private sector is asked to be. Trends in cost-effects of urban location and of market factors in urban residence must be observed, documented, and applied to the overall planning process. True urban renewal does not end with buildings. It involves people, who not only reside in buildings and neighborhoods, but also work in buildings and industrial areas. The industrial vacuum is as much a factor in the decline of American cities as population shift and socio-economic depreciation, if it is not, indeed, a cause.

Relating specifically to the Yard, it is important that prospective industrial tenants not feel they are being used to refund the City's various costs for acquiring the Yard over the short term, or that they will be dislocated as soon as a capable developer is found for luxury housing and recreational facilities. There should be the very clear option of remaining indefinitely, at the tenants' will, so long as industrial use of the area is feasible and effective.

Good faith on the part of the City is imperative. However, it is not to be achieved in a vacuum. Accurate, current, ongoing planning is necessary before

the City can determine how long it wants the Yard to remain an industrial area. For its part, the City must take care to determine that prospective tenants are not merely seeking low-cost space for temporary or speculative purposes. "Surplus Property" designations have a way of attracting bargain hunters. Contractual precautions, binding City and tenant, must be carefully executed.

DEFINING AREAS

There comes a point in discussing the Yard as an industrial location at which potential users want to know how much land is to be included with what buildings and what areas will be public streets and common areas. The City should proceed at once to establish accurate metes and bounds of the entire area. Any building adjacent to open land (114 is a good example) should be plotted as separate from the open area.

A clear policy on the parking of passenger vehicles should be set forth now. This policy should state clearly what areas will be set aside for parking and what streets may be used. Consideration should be given to two areas in particular: the open site left after the demolition of the power plant and the open area under the approach ramps to the Mystic River Bridge.

A final traffic plan should also be derived and made public. In many instances the Yard's streets are too narrow for anything other than one way through traffic. Some rights of way should be closed to traffic to allow their use for freight vehicles (such as trucks and rail cars). Easements for utilities should also be established to allow free access for service.

General plans for site improvements under the E.D.A. grant, such as street repairs and access should be made known. The City can safely guarantee necessary repairs to streets because it will be receiving federal money for such work. This will make the site more attractive to potential tenants, particularly as many are aware that deterioration of pavements has already begun and will accelerate immediately when the Yard is completely secured.

Every firm poled had serious questions about the City's overall plans for reuse and site improvements. The more firm information the City can make known in

these matters the better. It must be stated clearly that the City does not intend creating an industrial slum, using lack of improvement to keep costs and rents at attractive levels. Competing industrial areas in the suburbs are often new and very attractive. Prior planning is the only way to prevent the Yard from becoming another area which discourages customer traffic through its advanced blight.

SPECIFIC REUSE PROSPECTS

THE DEVELOPER/ENTREPRENEUR

As the surviving firms in the industrial sectors with which this report is concerned are not overly large, and as their are many new but as yet very small entries in these industries, successful reuse of the Yard might well depend on a special type of developer. This would be a developer whose entire effort could be directed at the Yard. He would serve as an alternative to the more traditional developer type, and as a supplement to the mid-sized tenant company capable of taking an entire building and managing subsequent sub-leasing of portions not used in its own operations.

The mechanics by which such a person, or entity, would profit are basic. He would stand as control and management of the Yard, or of individual portions thereof. Holding leased rights or purchased title, he would reimburse the City specified sums, and would enter into bilateral agreements with the City defining receipts in excess of his costs as his profit, but limiting net profits by prearranged formula, much as in a 121A agreement.

His responsibilities would also include marketing of space and full maintaining of buildings and site areas, except as they accrue to City control. He would enter into preliminary option agreements to conduct marketing efforts at his own risk, over a limited time.

Specific applications of this concept would be for the larger buildings, for the design center, or for the entire site or portion thereof. There is interest in such an arrangement on the part of Mr. Ted Wasserman, who also has made a specific proposal for use of building 114. Although Mr. Wasserman intends first to complete his plans for building 114, he will shortly commence a planning effort

to involve a much larger area. His current direction appears to be toward development of a marina, as well as light industrial and commercial activities.

Essentially, the City would be a venture partner. Its investment will be the site itself and its E.D.A. grant for site improvements. So long as definite recovery of costs can be arranged, the City is urged to follow this idea to resolution.

DESIGN CENTER POTENTIAL

An ancillary reuse suggestion has been voiced by many firms in the course of interviews for this report. It seems that a combination of factors makes it wise to consider an active effort to interest a developer entrepreneur in establishing a design center in the Yard. Such a center would house showrooms and sales offices, design firms, and architects. Factors pointing to the need for such an enterprise are:

1. The growth of new firms in the above areas as well as in manufacturing who have no base in Boston, or who require better or larger space.

2. The operative concept that makes shopping centers work: traffic flow is good for business.

3. Massive escalation of production costs in Europe and shipping costs to the U.S.

4. The existence of a healty market centered around Boston and increasing difficulty of doing business in New York City, whence shouthern New England has traditionally been serviced.

5. The prohibitive costs of new construction and the fact that existing design buildings and clusters cannot accomodate further growth.

6. The proximity of the Yard to the Port, Airport, Downtown, and Highway network; as well as the appeal of a harbor-side location itself.

The area of Back Bay emcompassing lower Newbury and Boylston Streets and the neighboring Charles Street area are unable to support new or growing design activities. Typically, a Boston showroom handles not one, but several lines of interior products. The design and sales communities feel that there is need of a locus for their activities which provides access and allows for growth. The recent failure of such a centure (THE WHARF) is commonly attributed to the small scope of the intended result and to problems of access and unsuitable space. We find that either building 149 or 199 could accomodate such a project, and there is in fact one group interested in persuing this course. Their sheer size, added

to their location and harbor views would be most suitable for such a venture. And, a design center could support higher rent and taxation than industrial tenants. However, such a venture would require the guarantee of very long term occupancy; no less than 25-30 years. Offsetting this factor is the consideration of long term lease income or very favorable purchase arrangements to the benefit of the City.

DESIGN CENTER BENEFITS

The flight from urban residence of firms such as St. Charles Kitchens means that smaller craft firms who might otherwise remain in the city have no particular reason to do so. If one's customers, or suppliers are dispersed throughout the communities surrounding Boston, one has no particular reason to locate in the City, pay taxes to the City, or employ its people. Cities and towns such as Waltham, Watertown, Woburn, Concord, and Newton are found to contain large numbers of woodworking firms and design related businesses. Two years ago the nations largest architectural firm specializing in hotel and restaurant design and purchasing moved from Kenmore Square to Bedford. Similar examples are endless. All point to the need for an affordable and efficient Design Trades Center in Boston.

One interesting observation is called for. The old faithful of the Sunday newspaper's magazine is the new or rennovated house. A very large share of the housing rennovations for private residence are in urban settings, often owned by people related to the design trades, or at least that is the feeling one gets from the Sunday papers. If office locations for these professionals can be moved into the City, Boston would soon find itself the beneficiary of a growing population of the kind of citizen it seems to be losing. There would result both industrial/commercial stability and residential strength. By giving the middle class business man a good reason to locate his commerce in Boston, one can assume that this same man will look closely at the possibilities of living close to his work: in Boston. Further, since most companies in the design trades are made up of a few executives and a bulk of middle class working people, there would be real job growth for Boston residents in the City's most rapidly shrinking socio-economic category.

BUILDING 149 OR 199

Bertrand Goldberg Associates, architects, have expressed interest in developing a unified regional design center occupying either building 149 or 199. Mr. Roger Stover represents the firm in this matter. He is an architect working out of Mr. Goldberg's Boston office. He has inspected the site and seems quite impressed both with the site itself and with the prospects for such a venture.

It is Mr. Stover's belief that the architectural, design, and interior trades' sales communities need a centrally located site to serve as the base for their regional activities. He feels that there would be tenancies by several architectural and design firms as well as by firms representing interior products and furniture manufacturers, whose locations are now either inadequate or too dispersed to generate necessary traffic flow and interchange of technology and services.

However, Mr. Stover seems intent on not being the first to move into the Yard. He is quite concerned about the costs involved and about the effects of neighboring site uses. Although he states that the site is of sufficient size and variety to be ideal for mixed-use development; he prefers to wait and see just how mixed other uses might be. Although Mr. Stover's enthusiasm is most gratifying and tends to support this report's own conclusions, his readiness to proceed in a serious and committed fashion remains to be seen. He is the kind of potential reuse tenant who must be convinced of the City's willingness and ability to proceed in partnership with the private sector.

This one expression of interest, combined with the fact such a venture has already been attempted, and the trades' general feeling that such a center is needed would seem to indicate that the City should actively persue the search for a developer. Conventional methods of advertising for proposals, in competition, will probably be the most effective means to this end.

BUILDINGS 75 AND 187: LUMBER

As reported in Phase I, the Keever-Willard Lumber Company of Beverly is now considering relocating to Newbury. Its new site of ten acres would offer rail service (imperative), and on it would be built a 30,000 square foot structure at a cost estimated at $250,000. Mr. Robert Keever is very familiar with the Yard, due to his having visited it frequently in the past to bid on government lumber contracts.

It is our judgement that Mr. Keever's firm could well use both buildings 75 and 187 for their operation. Open land across the street (extending to the Little Mystic Channel) could be used for outside storage of lumber. The proximity of Pier 11 would offer the firm an opportunity to direct-import lumber without running the gamut of problems offered by Massport facilities which now force most shipping companies cargoing from Asia and the Phillipines to refuse Port-of-Entry at Boston.

Mr. Keever appears ready to discuss this prospect at greater length and he should be contacted. Said contact, however, should be made by someone who has an appreciation of his business and his market.

Should such an effort be successful, Boston would stand to become again a major port for the lumber trades. Revenues from docking and handling lumber at Massport's South Boston facility are currently nearly $750,000 annually, with only 8 acres of site space involved. Of this total, 80% derives from handling charges (labor and transport). The benefits available to the City are not to be underestimated.

BUILDING 114

Mr. Ted Wasserman, of Rand Industries in South Boston, has expressed definite interest in building 114. He proposes to develop it as a woodworking cooperative, rough mill, and small boat repair facility as well as commercial outlet for woodworking supplies and lumber (see exhibit 1 attached).

The attached exhibit speaks for itself. Mr. Wasserman's proposed use of this building will provide adequate income for an advantageous lease from the City, and will be most stimulating to the local crafts and design trades. He has already received the enthusiastic support of Boston University, a new national woodworking monthly publication, and several existing cooperatives.

His experience is in both commercial development and in industrial millwork. As an added feature of his interest, Mr. Wasserman is actively seeking partnership to plan and propose a large recreational marina for the area of drydock 2 and the shore immediately to the north.

It is anticipated that he will have a final porposal for building 114 by late August. Out of his initial interest could grow several other uses in various categories: retail, commercial, office, residential.

BLACKSTONE-SHAWMUT & COMPANY, BOSTON, MASSACHUSETTS

EXHIBIT

WOODWORKING-CO-OPERATIVE
Feasibility Study

We envision the following:

1. Approximately forty cabinet makers, furniture makers and related crafts people (finishers, upholsters, etc.) under one roof in the Boston area. The location will be visible, easily accessible and with good parking facilities.

2. Each crafts person will rent his or her respective working space (approximately 200 square feet). Each space will have room for a bench, table saw and a few other small machines. Rent for the space will probably run about $175.00 per month.

3. Centrally located to all the spaces will be a heavy duty machine area to include at least the following equipment:

   a) Cut-off saw
   b) Automatic Straight line rip
   c) Facer
   d) 36" Thickness Planer
   e) 10" Jointer
   f) 8" Jointer
   h) 10' Hand Block Sander
   i) 8' Oscilating Edge Sander
   j) Air Bag Sander
   k) 12" Thickness Planer
   l) Drill Presses
   m) Overhead Router
   n) Single End Tenoner
   o) Mortiser
   p) Shaper
   q) 10" x ;2" Table Saws per demand
   r) Small and Large Band Saws
   s) Panel Saw

   All equipment will be operated by an insert card system on a pay-per-use basis. The management will perform all maintenance. Extra equipment will be added as demand requires.

4. A company co-op store will stock hard woods, tools, hardware and supplies - the store will also sell materials to the general public.

5. A showroom sotre will be maintained with sales personnel. A contract sales department will bid on large jobs and parcel them out. An advertising program will also be maintained.

6. A selection of portable hand-tools, such as 1½ HP routers, belt sanders, skill saws and finishing sanders, will be available on a daily rental basis.

7. During evening hours, a wood-working school will be run on the premises. Co-op members will have the option of allowing their bench areas to be used (equipment, of course, will be locked up) by the school, for which members will be reimbursed. Members will also have the opportunity to serve as instructors in the school.

EXHIBIT

In essence, the wood-working co-op will be run as a business. Its objective will be to provide a complete service to the crafts person and in so doing, to return a reasonable profit to the investors/operators. The only investment a crafts person will make will be to sign a lease for at least one year, and to make a reasonable security deposit of two to three months rent. (This is similar to renting an apartment or a retail store). If such a project is of interest to you, please complete the attached questionaire.

EXHIBIT

Wood-working Co-Operative

1. Name _____ Age _____

   Address _____

2. Academic and/or other training _____

   _____

3. Work History _____

   _____

4. Craft Field (areas of specialization - for example: Queen Anne Chair reproduction)

   _____

   _____

5. What kind of craft working environment are you now in?

   a) Number of people in shop _____

   b) Available equipment (please be specific) _____

   _____

   c) Amount of space you actually occupy _____

   d) Is it a co-op or a business? _____

   e) Other pertinent details _____

6. Where would you like to see our project developed? North Shore, South Shore, South Boston, Alston-Brighton, Charlestown, Somerville-Cambridge, Natick-Framingham, South End, Boston, Other _____?

7. Do you know of a particular building that might be especially suited for this venture? _____

8. How much yearly dollar volume do you personally do in the craft field?

   _____

9. How much do you honestly feel you could afford to pay as rental toward your space? _____

EXHIBIT

10. The purpose for the insert card system on the common machinery is to apportion fairly the costs of using the machinery - that is, to provide that the crafts person making clock cabinets does not pay the same price for the use of the sander and surfacer, for example, as the person making butcher blocks. Please give us your honest ideas as to how much you could afford to pay (by the hour) for the machines you would most often be using in the common area.

Upon completing the initial feasibility study, we will summarize the results and make the general findings (excluding names) available to those participating. We will then refine the project and perhaps at that time option a real estate location and arrange for the purchase of equipment. We will then attempt to get a firm commitment from the crafts people. Such commitment would be in the form of a $200.00 to $300.00 deposit to be paid into an escrow account at a local bank. The investors could only use these moneys after the project was completed as planned and the participants occupied their respective spaces.

In the following space please add your specific comments or suggestions. If you would like to discuss the project further, the project organizer, Ted, may be reached by telephone.

Ted Wasserman 268-3414

BUILDING 104

This building is certainly the most appealing and popular in the entire Yard. Its best use would be related to the marine construction trades. To that end, an interview was obtained. Mr. Jerry Orr, director of manufacturing operations for the Chris Craft Company, at their headquarters in Pompano, Florida.

Mr. Orr's response was very enthusiastic, although his firm could not contemplate any relocation for at least one year. He feels that the building and its adjacent exterior site, combined with drydock 5, offer an ideal facility for the building and repair of any type of boat up to modern commercial fishing craft.

It is his feeling that an effort to publicize this site among the trades, although requiring direct contact with as many as fifty firms, would yield tenancy by at least one. California boat builders, in particular, would be most interested in an East Coast location in an ice-free harbor, as their costs for transport make the growing East Coast boat market very expensive to penetrate.

Tenancy by a boat building concern would also offer tremendous spin-off economic benefit, such as marina activity and new employment in various support-sector industries. Doing business in the growth territory of the deep South, Mr. Orr has come to realize that certain northern cities, among them Boston, offer real benefits to labor-intensive industries using highly skilled labor. Among those advantages he perceives are lower annual cost increases, more stable and more highly skilled labor supply, and proximity to technology and mechanical-component supplies.

BLACKSTONE-SHAWMUT & COMPANY BOSTON MASSACHUSETTS

APPENDIX

FIRMS POLED

NAME	TENANT CLASS
Keever- Willard Lumber Company, Beverly, Mass.	I
Sr. Andres Mandl (Colombia)	II
Limitless Design Corporation, Cambridge, Mass.	III
Brine Veneers Ltd., England	II/III
Chris Craft Company, Pompano, Fla.	I
Town House Interiors, Brookline, Mass.	II
H. Sachs & Sons, Waltham, Mass.	III
Modulo Furniture (Italy)	I/II/III
Reprodux Ltd., Woburn, Mass.	I/II/III
Mr. Ted Wasserman, South Boston, Mass.	I/IV
Bertrand Goldberg Associates, Boston, Mass.	IV
Freeman Carder Corp., Newton, Mass.	I/III
Golden Oak Furniture Company, Los Angeles, Cal.	I/III
Early American Furniture Company, Melrose, Mass.	I/III
Katherine Hennick, Inc., Cambridge, Mass.	I/III

TENANT CLASS DEFINITION

I. This classification is for those firms who manufacture a product and/or would only consider sole tenancy in a given building.

II. Firms in this class either import or sell and distribute a product, perhaps of their own manufacture.

III. Firms of any size fit this description, but they all seek to be tenants only, and do not require large areas. They need not be of any particular type (manufacturing, sales, etc.)

IV. This class is solely the realm of the developer/entrepreneur. Class IV tenants can also be industrial participants in the site, but their primary thrust is that of site reuse and management.

ADDITIONAL INDUSTRIAL POTENTIAL

This report would not be balanced or complete without mention of possible industrial reuse of the Yard in the areas of commercial fishing, its craft and its supply/processing aspects, and the other serious interest which exists in various private sector firms for reuse of the Yard's waterfront, buildings, and equipment.

One group has come together under the leadership of Mr. Harry Jorgensen of Marshfield. Its purpose is to operate a facility to repair and construct commercial fishing vessels. Mr. Jorgensen was instrumental in the effort to pass legislation establishing our new 200 mile fishing limit. His background is in contract machine work, and he is a retired naval officer. Others in this group at present are former shop superintendents from the Yard, managers, financial experts, and members of the local commercial fishing community. To offer a firm reuse proposal will consume the better part of this summer. However, in order to make its success more certain, retention of all remaining equipment in the Yard for at least three months is advisable.

Additional prospects for successful reuse exist for a Boston firm seeking larger and better space to manufacture autoclaves, and for a local scrap metal reforge operation. Potentially, the list is endless. An immediate organized selling effort is called for. The City must become aggressive and entrepreneurial if it is to reap the benefits the Yard has to offer. Initial thrust should favor the most likely prospective tenants; those firms for whom a waterfront location is imperative. The 200 mile fishing limit alone will give rise to unprecedented new activity in all areas relating to commercial fishing. Jobs and tax revenues will derive in a short time, but only to those communities which act soon. Both the Commonwealth and Massport are at least giving the appearance of not caring much for the commercial fishing industry in Boston. There was a time when the harbor was dense with trawlers and draggers, and Boston was known the world over for its fish, for the men who harvested them, and for the men who built their boats in the great Boston yards. ---------- Now Boston is known only for its memories of fishing.

Stewart Forbes

Peter A. Kenney ✓

May 4, 1976

Class II equipment (weight handling) at Charlestown Naval Shipyard.

A visit to the site on 27 April revealed that of the three bridge cranes in building #114, the most important one is gone. Replacement value will be at least in the mid five figures. Lack of this unit means there is no weight handling capability to move loads between the first and second floors. The value of this building has certainly been reduced.

/smr

cc: C. Knowles
P. Zeigler

TO Stewart Forbes

FROM Peter A. Kenney

DATE May 6, 1976

SUBJECT Charlestown Naval Shipyard

Pursuant to our conversation yesterday and my memo of the same date, I have some thoughts on factors which might help mitigate the City's acquisition cost for the Charlestown Naval Shipyard.

Any class II weight handling equipment can be moved without seriously affecting site reuse -- except for interior and exterior bridge cranes, individual heating and cooling units, and lighting. Buildings of more than one floor not retaining all original weight handling equipment should cost substantially less than those retaining such equipment.

An additional consideration is building condition as it shows effects of interior temperatures below freezing and uncontrolled collection of moisture inside sealed buildings. Spalling masonry and concrete, roof leaks, warped floors, deteriorated paint and glazing are all major problems. The heat simply has not been kept on at adequate levels, if at all in many buildings -- #114 is a prime example.

Finally, open machinery pits and exposed machinery anchor bolts protruding above floor level are hazards and should be deducted, as necessary cost items to the City, from the final acquisition price.

/smr

cc: P. Zeigler
C. Knowles

Stewart Forbes

Peter A. Kenney

May 14, 1976

Charlestown Naval Shipyard / Remaining Equipment

The City must expend all possible efforts to postpone auction of all equipment remaining in the Yard. It is my judgement, based on concrete private sector response, that there has never been a full and correct realization of true regional industrial potential for reuse of the Yard.

Close working relationships with the Governor's Economic Development Commission, Massport, E.D.I.C., and the New England Regional Commission are imperative, and could be of immediate and multilateral benefit. We should explore a hold position with ultimate sale of equipment still achievable under some sort of lease or rental agreements.

Example: A reuse of Building #105 as a smelter, forge, and plate mill for locally available scrap tonnage is an immediate and sound prospect.

NB: See memos of 12 May.

/smr

Stewart Forbes

Peter A. Kenney

May 4, 1976

Class II equipment (weight handling) at Charlestown Naval Shipyard.

A visit to the site on 27 April revealed that of the three bridge cranes in building #114, the most important one is gone. Replacement value will be at least in the mid five figures. Lack of this unit means there is no weight handling capability to move loads between the first and second floors. The value of this building has certainly been reduced.

/smr

cc: C. Knowles
P. Zeigler

Stewart Forbes

Peter A. Kenney

12 May 1976

Charlestown Naval Shipyard / Fishing Fleet

At your request, I have contacted Mr. Harry Jorgenson. He has a very ambitious plan for development in Boston of facilities to repair the existing Commercial Fishing Fleet and construct new commercial fishing craft. The Charlestown site is ideal. I wish to accomplish three things:

1. Put Mr. Jorgenson on your calendar for the week of 17 May for at least two hours.

2. Determine when the remaining G.S.A. auctions (equipment) are to be held at Charlestown; and put an immediate hold on all weight handling and other relevant equipment.

3. Coordinate this effort with all B.R.A. personnel who should properly be involved, as Mr. Jorgenson's logical target area will coincide with that of S.G.I. (#106, #104, Drydock 5, Pier 11).

Clearly, there is now serious industrial competition against housing. Jobs and a revitalized local economy vs. luxury housing -- how best do we proceed?

/smr

Stewart Forbes

P. A. Kenney

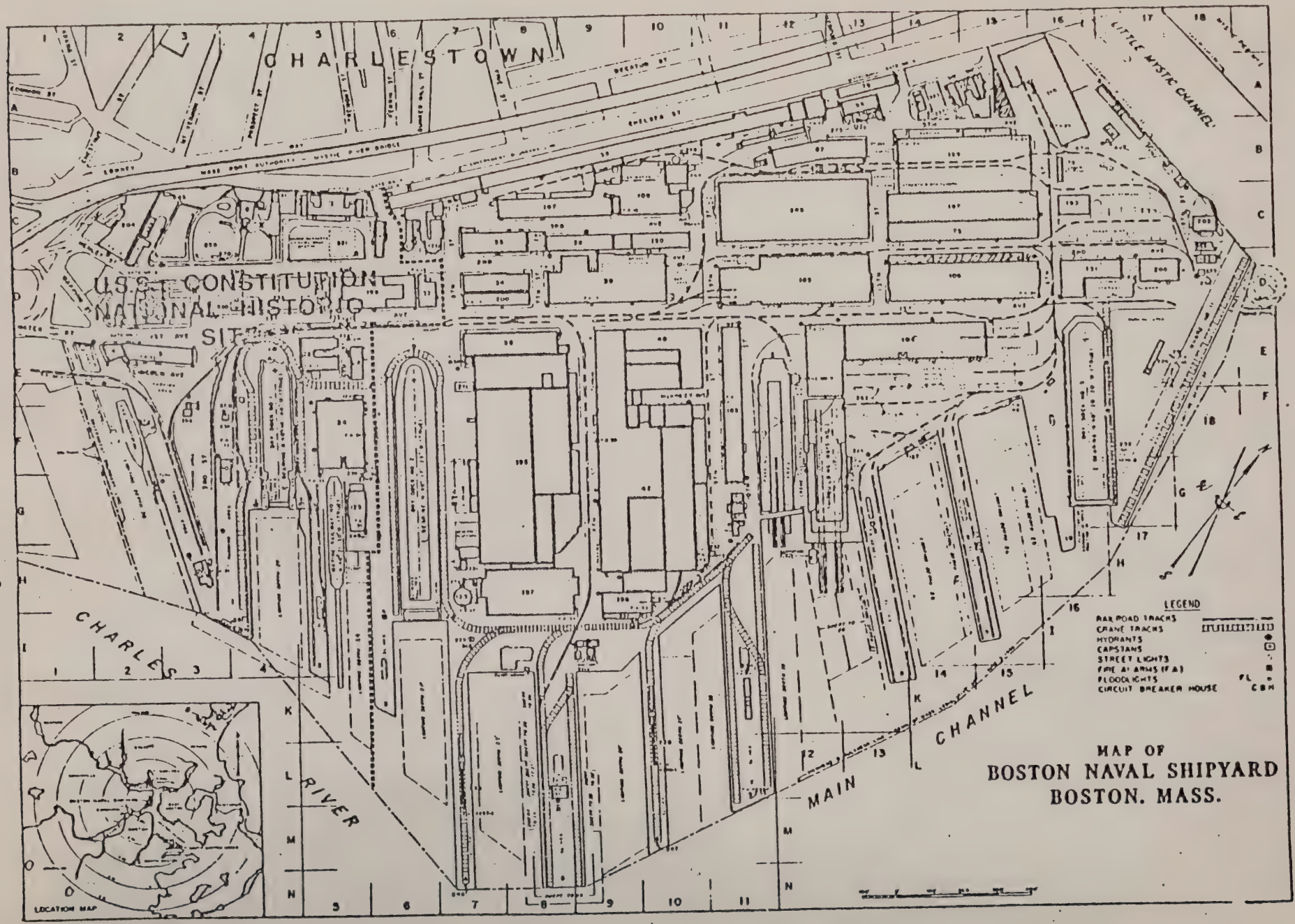
12 May 1976

Harry Jorgenson / Fishing Industry

A telephone conversation with Mr. Jorgenson of this date leaves me with the deep feeling that he is a man of talent, ability, and determination. As one of the prime movers behind the 200 mile fishing limit, he has demonstrated all three traits. Further, he is a man whose knowledge of commercial fishing, marine construction and repair, and marine related commerce, make him both valid and invaluable as a source of facts, ideas, and opinions relating to Boston's waterfront; and a sound approach to its industrial redevelopment.

By giving this man a fair hearing and appropriate information and assistance, the City stands to assume a position from which it can better deal with Massport and the New England Regional Commission. It is my impression that both of these organizations retain a substantial capability for being more a partner than an adversary of the City in Port and Waterfront related commerce and development. Mr. Jorgenson and the groups he represents can give Boston the two things it needs most: income and jobs. I feel strongly that the B.R.A. should take the lead in this matter.

/smr


CHARLESTOWN
LITTLE MYSTIC CHANNEL
U.S.S. CONSTITUTION
NATIONAL HISTORIC
SITE
CHARLES
RIVER
MAIN
CHANNEL
LOCATION MAP
LEGEND
RAILROAD TRACKS
CRANE TRACKS
HYDRANTS
CAPSTANS
STREET LIGHTS
FIRE ALARMS (F.A.)
FLOODLIGHTS
CIRCUIT BREAKER HOUSE
MAP OF
BOSTON NAVAL SHIPYARD
BOSTON, MASS.

Buildings and Structures in Project Area

Building #		Description	
75		Storehouse	
104		Shipfitters Shop	
105		Forge Chain Shop	
106		Boiler Shop	
114		Woodworking Shop	
131		Flamable Material Storage	
149		Storage and Administration	
165		Service Space	
166		Service Space	
178		Lumber Storage Shed	
187		Storehouse	
193		Scrap Salvage	
199		Storehouse and Cold Storage	
203		Sand Blast Facility	
206		Locker Room and Admin. Space	
210		Cabinet Shop	
217		Lumber Storage Shed	
218		Lumber Storage Shed	
226		Pier II industrual service space	
266		Officers Housing	

Gate # 5		
Pier #8		
Pier #9		
Pier #10		
Pier #11		
Dry Dock #5		